

FY 2004 BUDGET PROPOSAL

Reductions:

\$28,788,409

Reduce transfer for Metro	\$ 4,173,861
Based on review of existing balances at WMATA and current and future requirements	
Incorporate West Nile virus program into Fund 116, Pest Management	\$ 1,000,000
Privatize food services in the ADC	\$ 438,841
Eliminates 13/13.0 SYE positions	
Reduce County general training	\$ 100,000
Reduce from \$1,339,542 to \$1,239,542	
Reduce Paydown construction funding	\$ 2,000,000
Reduce various maintenance projects (\$305,000), Upgrading of Existing Trails (\$75,000), Stormwater Management (\$400,000), Data Center Reconfigurations (\$50,000), Land Acquisition Reserve (\$1,000,000), HIPAA Compliance (\$100,000), and developer defaults/roads (\$70,000)	
Eliminate "Undesignated" revitalization project	\$ 665,000
Reduce PC Replacement funding	\$ 980,170
Will reduce annual funding for PC's from \$500 to \$400	
Reduce County compensation program	\$ 4,208,371
(See Attachment B for explanation)	
Reduce EDA staff compensation	\$ 30,000
In correlation with general County and Public Safety compensation	
Restructure Office for Women	\$ 144,437
Commission for Women support and two positions transferred to the Department of Family Services but to report directly to Deputy County Executive – Results in elimination of 2/2.0 SYE more positions for a total reduction of 6/6.0 SYE positions	
Fund 1 room of 2 proposed for new SACC Centers	\$ 207,611
Funds only 1 room at each new SACC center - results in elimination of 14/11.72 SYE proposed positions. The Board intends that students currently enrolled in SACC would still receive the service as a top priority as new rooms are opened and students shifted to the new schools.	
Restoration of AD and MH services in ADC	\$ 0
Move entire function to CSB with cost of reduction to be absorbed by CSB and Sheriff	
Reduce subsidy to solid waste	\$ 200,000
Reduce Agency Expenditures	\$ 3,441,576
In addition to the \$22.5 million reduction included in the <u>FY 2004 Advertised Budget Plan</u> - results in elimination of 17/17.0 SYE positions and includes reduction of EAC budget by 5% (See Attachment C for list)	
Reclassify 9 Fire Apparatus shop positions from the S to the F scale	\$ 0
Reduce Athletic Field Maintenance	\$ 3,000,000
Results in elimination of 6/6.0 SYE proposed positions	
Debt Service Savings	\$ 651,168
Eliminate Reserve recommended by County Executive	\$ 7,547,374

Add-On Adjustments:		\$ 3,857,488
Balance available as of FY 2003	\$ 849,674	
Third Quarter		
FY 2004 Additional Revenue	\$ 3,007,814	
Proposed Revenue Adjustments:		\$ 8,177,187
Cellular Phone Tax	\$ 9,500,000	
Assumes 9/1/2003 implementation		
Non-Residential Use Permit fee	\$ 80,000	
July 1, 2003 implementation of \$40 fee		
E-911 Fee Increase to \$2.50/line/month	\$ 1,897,187	
Assumes 9/1/2003 implementation		
Eliminate Athletic Field Maint. Fee	(\$ 3,300,000)	
Additional Funding Requirements:		(\$1,769,888)
Fund DROP plan for uniformed Public Safety employees	(\$ 538,534)	
Evaluate effectiveness of program for possible expansion to General County employees		
Partially Fund 12% increase in Uniformed Retirement	(\$ 450,000)	
Assuming approval of the benefit enhancement in FY 2004 to be effective January 1, 2004. The General Fund liability will not be incurred until FY 2005 in the estimated amount of \$1.9 million annually. Funding in FY 2004 would be used to partially offset this significant increase in FY 2005.		
Full second-year funding for non-profits as part of Community Funding Pool	(\$ 180,170)	
Funded Consideration Items	(\$ 601,184)	
Marine Patrol - \$97,228 and 2/2.0 SYE positions, Lincolnia evening facility attendant - \$45,200 and 1/1.0 SYE position, Adult Health and Dental Partnership - \$145,000, Middle School After School program - \$112,000, Northern Virginia Resource Center for the Deaf and Hard of Hearing - \$27,599, ADS residential services at Crossroads Adult, Crossroads Youth and A New Beginning - \$174,157 and 3/3.0 SYE positions		
Restoration of School Education Officers	(\$ 0)	
Restores 4/4.0 SYE positions and shares the \$174,456 cost of the program between the County and the Fairfax County Public Schools (FCPS). The County portion will be funded by eliminating the County payment to the Virginia Municipal League (\$93,356) and the FCPS portion (\$81,100) will be charged to the Schools.		
TOTAL AVAILABLE		\$ 39,053,196
REDUCE REAL ESTATE TAX RATE BY ADDITIONAL 3 CENTS FOR A TOTAL TAX RATE REDUCTION OF 5 CENTS IN FY 2004 AND 7 CENTS SINCE FY 2003		(\$39,053,196)

FY 2004 BUDGET SUMMARY:

FY 2004 revenue will be up 4.7% over last year.

FY 2004 total General Fund budget is up \$69 million over last year. The total increase in the County's General Fund budget is allocated to the Schools for operations and debt service. Funding for the Schools (operating and debt service) is \$1.359 billion, an increase of \$76.9 million over FY 2003. In FY 2004, funding for the Schools represents 53.1% of the total budget, the highest percentage allocated to the schools since FY 1983. In FY 2003, the transfer for School operations and debt service was 52.5%

County Direct Expenditures are down nearly 1% (0.8%) from last year.
All non-School funding is down nearly 1% (0.7%) from last year.

A total of \$51.3 million was cut from the FY 2004 budget

County Executive cuts	\$22.5 million
Board cuts	<u>\$28.8 million</u>
	\$51.3 million

This is the 3rd year of County cuts: FY 2002 reductions totaled \$24 million. FY 2003 reductions totaled \$29 million. In the three fiscal years – FY 2002, 2003 and 2004, the reductions total more than \$100 million.

FY 2004 Real Estate Tax Rate: \$1.16/\$100 of assessed value
FY 2003 Real Estate Tax Rate: \$1.21/\$100 of assessed value
FY 2002 Real Estate Tax Rate: \$1.23/\$100 of assessed value

Total 2-year reduction = 7 cents, which is equal to approximately \$91 million in FY 2004

The actual real estate tax for the typical household at the rate of \$1.16/\$100 AV, will be \$3,679.98, an increase of \$328.95 over the typical FY 2003 bill.

The typical household will pay nearly \$160 (\$158.62) less in FY 2004 as a result of the reduction in the tax rate from \$1.21 to \$1.16/\$100 AV.

Based on the Board's action in both FY 2003 and FY 2004, the typical household will pay \$222 (\$222.07) less as result of the total reduction in the tax rate over the past two years from \$1.23 to \$1.16/\$100 AV.

Based on this package, the net change in positions in FY 2004 is a reduction of 87 positions from FY 2003.

Since FY 1991, County staffing has increased by only 86 positions or 0.8 percent while at the same time, our population has increased 24.4% and we have opened 150 new and expanded facilities.

COMPENSATION PROPOSAL

Proposed Adjustments :

- | | |
|---|----------------------|
| 1. Reduce Pay for Performance funding by 25% | (\$2,881,613) |
| 2. Reduce COLA for Public Safety
from 2.56% to 2.10% | <u>(\$1,326,758)</u> |

Total Reduction in Compensation	(\$4,208,371)
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Considerations:

1. Proposed reductions will impact both public safety and non-public safety employee compensation.
2. Leaves in place the pay for performance program in preparation for system redesign for FY 2005.
3. Effectively caps non-public safety pay increases in FY 2004 at 5.25%
4. Does not impact steps for uniformed public safety employees.
5. Maintains market scale adjustment to non-public safety scales at 2.56%.
6. Results in average non-public safety increase of 3.86%
Results in average uniformed public safety increase of 4.26%

Implementation:

Pay for Performance:

Based on a 25% reduction in funding, the FY 2004 program will result in reductions in the increases employees will receive based on their performance ratings. The range will change from 0 - 7 % to 0 - 5.25% as detailed below:

<u>Current Incr</u>	<u>Proposed Incr</u>	<u>Current Bonus</u>	<u>Proposed Bonus</u>
7.0%	5.25%	5.0%	3.75%
6.5%	4.87%	4.5%	3.37%
6.0%	4.5%	4.0%	3.0%
5.5%	4.12%	3.5%	2.62%
5.0%	3.75%	3.0%	2.25%
4.5%	3.37%		
4.0%	3.0%		
3.5%	2.62%		
3.0%	2.25%		
2.5%	1.87%		
2.0%	1.5%		
0.0%	0.0%		

Uniformed Public Safety:

	<u>FY 2004 Advertised</u>	<u>FY 2004 Proposal</u>
COLA	2.56%	2.1%
Step	<u>5.0%</u>	<u>5.0%</u>
	7.56%	7.1%

However, based on years of service, not all non-uniformed public safety employees are eligible for the step increase if they are in a step hold or at the top of the pay scale. In fact, only approximately 40% of uniformed public safety personnel will receive a step in FY 2004. As a result, uniformed public safety personnel will receive an average 4.26% increase rather than the 4.72% average as included in the FY 2004 Advertised Budget Plan.

FY 2004 Further Agency Reductions

#	Agency Title	Recommended Reduction	Filled Positions	Filled SYE	Vacant Positions	Vacant SYE	Explanation
Legis - Exec Functions/Central Services							
01	Board of Supervisors	\$70,026					Reduce each Board member's budget by 2%.
01	Clerk to the Board of Supervisors	\$15,206					Reduce Operating Expenses - primarily advertising.
02	Office of the County Executive	\$44,419					Reduce Operating Expenses.
04	Department of Cable Communications and Consumer Protection	\$34,884					Reduce overall hours for ELT administrative assistant II positions in the mail room, delaying mail handling, inserting and labeling activities.
06	Department of Finance	\$107,322			1	1.00	Abolish vacant merit position and operating expenses associated with "Finance Assistance and Compliance Team" to provide oversight of financial operations.
11	Department of Human Resources	\$122,111					Reduce operating expenses for consulting services, advertising, software licensing and office supplies. Eliminate exit interview program.
13	Office of Public Affairs	\$41,914					Eliminate printed version of weekly agenda. Will be available on-line.
15	Electoral Board and General Registrar	\$20,000					Reduce limited term funding and various operating categories.
17	Office of the County Attorney	\$109,819					Reduce litigation expenses.
20	Department of Management and Budget	\$59,223					Reduce Operating Expenses including printing/binding costs, resulting in even heavier reliance on CD-ROM and fewer hard copy budgets available.
57	Department of Tax Administration	\$9,291	3	3.00			Outsource parking ticket processing and collecting.

#	Agency Title	Recommended Reduction	Filled Positions	Filled SYE	Vacant Positions	Vacant SYE	Explanation
57	Department of Tax Administration	\$150,000					Pass private tax collection fees on to delinquent taxpayers.
57	Department of Tax Administration	\$238,000					Increase administrative collection fee for set-off debt to \$25 allowed by State Code.
70	Department of Information Technology	\$481,805					Reduce funding for the Microsoft "Software Assurance" program and revert to software replacement as part of single-year requirements rather than spreading costs across multiple years.
	Total Legis - Exec Functions/Central Services	\$1,433,994	3	3.00	1	1.00	
Judicial Administration							
80	Circuit Court and Records	\$33,941					Reduce limited term funding, impacting processing time at Land Records counter.
82	Office of the Commonwealth's Attorney	\$39,905					Reduce 2% target.
85	General District Court	\$31,648					Downgrade Business Analyst III (S-27) to Management Analyst II (S-24) upon retirement of current incumbent.
	Total Judicial Administration	\$105,494	0	0.00	0	0.00	
Public Safety							
04	Department of Cable Communications and Consumer Protection	\$19,619					Reduce overall hours for ELT consumer specialists working cases and dealing with consumer complaints.
81	Juvenile and Domestic Relations District Court	\$34,786					Reduce various Operating Expenses.
	Total Public Safety	\$54,405	0	0.00	0	0.00	

#	Agency Title	Recommended Reduction	Filled Positions	Filled SYE	Vacant Positions	Vacant SYE	Explanation
Public Works							
08	Facilities Management Division	\$77,458			1	1.00	Do not fund one of two new positions for the South County Governmental Center maintenance support as proposed in the Advertised Budget.
	Total Public Works	\$77,458	0	0.00	1	1.00	
Health and Welfare							
67	Department of Family Services	\$84,028					Reduce contract training funds and operating supplies.
67	Department of Family Services	\$61,846	1	1.00			Abolish 1 filled Management Analyst I supporting Children, Youth and Family information technology and various other Operating Expenses.
67	Department of Family Services	\$34,887	1	1.00			Abolish 1 filled Administrative Assistant I in SACC program.
69	Department of Systems Management for Human Services	\$92,014			1	1.00	Eliminate Region 5 and abolish 1 position and reduce various Operating Expenses.
71	Health Department	\$63,929			1	1.00	Do not fund Little River Glen 1 new position and equipment due to delay in construction.
	Total Health and Welfare	\$336,704	2	2.00	2	2.00	

#	Agency Title	Recommended Reduction	Filled Positions	Filled SYE	Vacant Positions	Vacant SYE	Explanation
Parks, Recreation and Cultural							
51	Fairfax County Park Authority	\$68,011					Cap RecPac sites at current level of 53.
51	Fairfax County Park Authority	\$223,444	4	3.50	1	1.00	Reduce staffing and hours of operation at Riverbend Park (from dawn-dusk to 9:00 am - dusk), Visitor Center only open Friday, Saturday and Sunday from noon - 5:00 pm, reduced access to boat launch, reduced programs impacting school and scout groups. Close Hidden Oaks to all but scheduled interpretative programs with 70% reduction in programs. Hidden Oaks staff provide programs to Baileys Family Shelter, Roundtree and Eakin Parks which will be discontinued. Scheduled tours and activities by appointment will continue to be staffed.
51	Fairfax County Park Authority	\$106,193	3	3.00			Eliminate dedicated 3-person team that maintains the Government Center landscape.
52	Fairfax County Public Library	\$370,192					Reduce funding for libraries.
	Total Parks, Recreation and Cultural	\$767,840	7	6.50	1	1.00	
Community Development							
39	Office of Human Rights	\$26,785					Reduce various Operating Expenses.
	Total Community Development	\$26,785	0	0.00	0	0.00	
Non-Departmental							
89	EAC	\$1,919					Reduce Operating Expenses.
	Total Non-Departmental	\$1,919	0	0.00	0	0.00	
	Total General Fund Direct Expenditures	\$2,804,599	12	11.50	5	5.00	

#	Agency Title	Recommended Reduction	Filled Positions	Filled SYE	Vacant Positions	Vacant SYE	Explanation
General Fund Supported							
103	Aging	\$36,977			0	0.50	Reduce staff development position to 0.5 SYE.
106	Community Services Board	\$600,000					Reduce General Fund transfer for transportation assuming additional Medicaid revenue maximization for transportation services.
	Total General Fund Disbursements	\$636,977	0	0.00	0	0.50	
	Total	\$3,441,576	12	11.50	5	5.50	